(a) whether the working group constituted to formulate a policy for Stage-III of New Pricing Scheme (NPS) has submitted its report;

(b) if so, the details thereof;

(c) whether the recommendations of the working group have been accepted by the Cabinet; and

(d) the time-frame by which the policy for Stage-III of NPS would come into effect?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) The Working Group, constituted to review the effectiveness of Stage-I and II of New Pricing Scheme (NPS) for urea units and to formulate a policy for Stage-III of NPS has submitted its report, which is under examination/consideration of the Government with a view to formulate policy for Stage-III of NPS.

Attempts to make essential medicines at affordable prices

1071. SHRI A. VIJAYARAGHAVAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is any attempt to make unbranded generic drugs and branded drugs more affordable to consumer;

(b) if so, the details thereof including the attempt to make branded drugs affordable as on today;

(c) if so, the total amount of drugs in branded drugs and unbranded generic drugs sold for last three years, year-wise, State-wise and category wise;

(d) the steps taken in details to comply hon'ble Supreme Court order to make available essential medicines to poor with affordable prices; and

(e) whether there is any attempt to enlist essential drugs and control the prices of essential drugs as directed by Hathi Commission report?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (e) The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control

and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95.

In the current year, 2006-07 (till 15.11.2006), NPPA has fixed/revised prices of 735 formulation packs. Out of these 735 cases, prices were reduced in respect of 178 formulation packs and there was no change in respect of 21 formulation packs. In 453 formulation packs prices were fixed for the first time.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The NPPA monitors the prices of medicines as per monthly Retail Audit Reports of ORG-IMS Research Pvt. Ltd. The Government takes corrective measures where the public interest is found to be adversely affected.

Monitoring of prices of non-Scheduled formulations is an ongoing exercise undertaken by the NPPA. Due to such monitoring 26 companies have reduced the price voluntarily in respect of 45 formulation packs.

Pharma companies were requested to restrict the high trade margin on generic medicines. Pharma companies have agreed to voluntarily restrict the trade margins for generic medicines to 15% for wholesalers and 35% for retailers. A compilation of the list of 886 such medicines, whose prices have been voluntarily reduced by 11 companies as a result of this cap on trade margins has been brought out. The list is available on this Department's Website **www.chemicals.gov.in.**

ORG-IMS capture information on branded and generic drugs marketed through trade channels and do not capture information State-wise. As per ORG-IMS the total sales MAT (Moving Annual Turnover) based on price to retailer of both branded and generic drugs taken together during the last three years is as under:

1. 2003-04	—	Rs. 19,678.68 crores
2. 2004-05	—	Rs. 20,540.48 crores
3. 2005-06	—	Rs. 24,572.91 crores

The Supreme Court *vide* its interim order dated 10.03.2003 in SLP (c) no. 3668/2003 directed the Government, *inter alia*, to "consider and formulate

appropriate criteria for ensuring essential and life saving drugs not to fall out of price control...". As per the directions of the Supreme Court the Ministry of Health and Family Welfare reviewed the National Essential Drugs List 1996 and brought out the National List of Essential Medicines 2003 (NLEM 2003).

A Draft National Pharmaceutical Policy 2006 was prepared proposing price control for 354 drugs with specified strengths mentioned in the NLEM 2003. The draft National Pharmaceutical Policy, 2006 is under finalisation. A Joint Committee with members from the drug industry has been constituted under the Chairpersonship of Secretary (C&PC) to suggest, *interalia*, interpretation of order dated 10.03.2003 of the Supreme Court in SLP 3668/2003. The Joint Committee is yet to submit its report to the Government.

Government laid a Statement on the Table of the Lok Sabha on 29th March, 1978, containing its decisions on the recommendations of the Committee on Drugs and Pharmaceuticals industry under the Chairmanship of Sri Jaisukhlal Hathi. Later this came to be known as Drug Policy, 1978. The drug policies of the Government as amended from time to time including the Drug Policy, 1978 are directed towards making available quality drugs at reasonable prices to the consumers in the country.

Nine point action plan for tackling diversion of PDS items

1072. SHRI EKANATH K. THAKUR: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government are serious about tackling massive leakages and diversions in the Public Distribution System and hence nine action points have been sent to all State Governments with a warning that if the measures are not taken seriously, allocations of foodgrains would be cut; and

(b) if so, the details of the suggested measures?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) Yes, Sir. The Government is serious about tackling leakages and diversions of foodgrains meant for PDS. The State Governments/UT